Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 ISO-00 SCEM-02 INT-08 SCI-06 SPC-03

AID-20 EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-20

STR-08 OMB-01 CEA-02 CIAE-00 DODE-00 INR-10 NSAE-00

PA-04 USIA-15 PRS-01 OPR-02 NIC-01 DRC-01 /172 W $\,$

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R 101415Z JAN 74

FM AMEMBASSY COTONOU

TO SECSTATE WASHDC 5779

INFO AMEMBASSY ABIDJAN

AMEMBASSY LAGOS

AMEMBASSY LOME

AMEMBASSY NIAMEY

AMEMBASSY OUAGADOUGOU

AMEMBASSY PARIS

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E.O. 11652: GDS TAGS: ENRG, DM

SUBJECT: GASOLINE CRISIS IN DAHOMEY

- 1. REGIONAL DIRECTOR MOBIL OIL, RESIDENT ABIDJAN, SERGE DUCROS, TOLD ME JANUARY 10 THAT CRISIS HAS DEVELOPED IN DISPUTE BETWEEN MRGD AND OIL COMPANIES OPERATING IN DAHOMEY. OIL COMPANIES HAVE REFUSED CONTINUE IMPORT PETROLEUM PRODUCTS AT GOVERNMENT CONTROLLED PRICES. DUCROS CLAIMS THEY HAVE BEEN LOSING MONEY FOR PAST SEVERAL MONTHS. AS PRICES CONTINUE RISE, PARENT COMPANIES REFUSING SEND FURTHER SUPPLIES.
- 2. LOCAL REPRESENTATIVES OF SIX FOREIGN-OWNED OIL COMPANIES WERE CONVOKED BY PRESIDENT KEREKOU YESTERDAY. ACCORDING DUCROS, PRESIDENT TOOK INFLEXIBLE, THREATENING POSITION ON PRICE RISE. HOWEVER, COMMITTEE OF CIVIL SERVANTS HAS BEEN APPOINTED BY MRGD TO STUDY PROBLEM AND CONFIDENTIAL

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MAKE RECOMMENDATION AS TO ITS RESOLUTION. DUCROS SAYS

COMMITTEE MEMBERS HAVE NO UNDERSTANDING OF PROBLEM, AND COMMITTEE TOO LARGE AND UNWIELDY TO BE EFFECTIVE. STOCKS OF GASOLINE AND OTHER PETROLEUM PRODUCTS ADEQUATE LAST UNTIL END OF JANUARY AT NORMAL RATE OF CONSUMPTION.

- 3. DUCROS FEARFUL GOVERNMENT MAY BE TEMPTED TO TAKE ACTION AGAINST COMPANIES AND/OR THEIR LOCAL MANAGERS IF STOCKS RUN OUT BEFORE AGREEABLE SOLUTION FOUND. AGREE COMPANIES MAY PRESENT ATTRACTIVE SCAPEGOAT FOR MRGD SHOULD PUBLIC INDIGNATION TO SHORTAGE BECOME WIDESPREAD.
- 4. WORD OF SHORTAGE HAS SPREAD TO POPULATION. GAS STATIONS ARE ALREADY LIMITING SALES. HOARDING HAS REPORTEDLY BEGUN. PRESSURES ON MRGD TO RESOLVE PROBLEM ARE MOUNTING AS SUPPLIES DWINDLE. HOPEFULLY, COOLER HEADS IN MRGD WILL PREVENT ILL-ADVISED, EMOTIONAL REACTION.

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Message Attributes

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